

# 4-point plan for citizens to solve city's fiscal mess

While you and your families have been struggling to make your mortgage payments and keep your jobs, Phoenix has been busy adding new taxes and fees.

## MY TURN

And why is this happening? Because the average cost of city employees is \$100,000 per year.

To pay for this high cost of labor, Phoenix has shifted the responsibility of solving this problem to your family rather than restructuring its operations.

In the past six months, Phoenix has increased your burden by:

- » Raising your water rates (up 40 percent in the past five years).

- » Raising your sewer rates (\$3 million this year).

- » Imposing a new food tax (\$50 million a year).

- » Raising fees on small business.

I have a four-point solution to the city's financial mess that would put it on the path to fiscal stability, focus resources on functions that affect you directly and make it more responsive and transparent.

I once believed this could come about internally, that the administration would see that the train heading for the cliff needed to be redirected immediately. Now I believe it will require a citizen initiative, a charter-changer that must be followed rather than a temporary policy to be sidestepped.

Phoenix's problem is not lack of revenue; it's too much spending and a system designed to keep it that way. We could solve that forever using these simple — although not easy to accomplish — changes:

- » Require managed competition not gamed by the city.

With employee costs averaging \$100,000, much of that driven by high pension costs, the city must move non-core functions to the private sector. Non-core would be any function that is not a sworn police or firefighter position. The same amount of non-core work would have to be accomplished by the private sector, but we would not pay above-market compensation to workers until they died.

- » Link employee compensation to market compensation.



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This concept alone would solve the financial crisis by saving a minimum \$300 million per year, essentially paying back all the fees and taxes Phoenix took from taxpayers. It makes no sense that Phoenix pays an average \$100,000 compensation in a community where taxpayers make about half of that on average.

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This would require a mechanism allowing the City Council to exceed that compensation in public votes on singular positions. So if engineers were lacking and much higher paid in the private sector, the council could accommodate those anomalies.

- » Link employee numbers to population.

Linking the number of authorized employees to city population would require the city to balance its growth with its need. It would increase the value of each slot so managers would use people wisely and not shuffle workers to fee-based departments like Water and Aviation (where fees can be raised more quietly to pay for them).

- » Align elections.

If Phoenix aligned its elections with the traditional cycle, September and November of even-number years, it would reduce greatly the influence of special interests. Council races often turn on 1,000 votes or fewer. Having elections at odd times when only the most passionate vote (read: those with the most at stake) makes it much easier for a well-funded vocal minority to determine who wins. That's not a recipe for significant change.

If a new direction is not achieved, next year Phoenix will claim once again that it solved the budget crisis. Unfortunately, it will be laid on the backs and shoulders of an overburdened public. With my changes, Phoenix would accept responsibility for the budget problem and could get off the budget roller coaster that requires repeated tax hikes and service cuts.

*Councilman Sal DiCiccio represents District 6, which includes Ahwatukee, Arcadia, Biltmore, East Camelback and North Central. He can be reached at [council.district.6@phoenix.gov](mailto:council.district.6@phoenix.gov).*